

Message Text

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SUBJ: RECENT STRIKES AS REFLECTION F ISRAEL'S

DOMESTIC PROBLEMS

1. SUMMARY: WHILE STRIKES, LEGAL AND ILLEGAL, HAVE ALWAYS BEEN A FACET OF ISRAELI LIFE, SEVERAL RECENT STRIKES ARE BEING INTERPRETED HERE AS INDICATORS OF DEVELOPMENTS IN ISRAELI SOCIETY WHICH TEND TO SAP ISRAEL'S "INNER STRENGTH." THE STRIKES IN PARTICULAR REFLECT THRUST OF GROUP INTERESTS OVER NATIONAL GOALS AND SOCIAL GAP BETWEEN ORIENTAL AND WESTERN JEWISH COMMUNITES. WE BELIEVE RABIN GOVERNMENT WILL COPE WITH THE PROBLEM. BUT RECENT TAX REFORM LAW AND CONTINUING EFFORTS TO REDUCE RISE IN CONSUMPTION WILL CAUSE PROBLEMS FOR CABINET, WHICH IS PRETTY WELL PREOCCUPIED WITH PEACE NEGOTIATIONS. END SUMMARY.

2. MANY ISRAELIS WERE SHOCKED LAST WEEK BY ABRUPT, ILLEGAL SIX-HOUR CLOSURE OF ASHDOD PORT BY ITS CHIEF LABOR LEADER, YEHOASHUA PERETZ, WHEN A GUARD DEMANDED THAT HE SHOW HIS IDENTITY CARD ON ENTERING THE PORT. A MILD REBUKE DELIVERED IN A TV INTERVIEW WITH CHAIRMAN OF PORT AUTHORITY WAS FOLLOWED BY DEMAND FROM PERETZ FOR AN

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APPOLOGY FOR THE STATEMENTS, AND A CHARGE THAT THE

CHAIRMAN WAS " DRUNK OR UNDER INFLUENCE OF DRUGS." THE PORT AUTHORITY HAS REFERRED THE MATTER TO THE POLICE, BUT FEW OBSERVERS BELIEVE THAT PERETZ WILL BE PUNISHED FOR HIS FLAGRANT VIOLATION OF THE LAW. WHILE THE PRESS AND THE PUBLIC GENERALLY HAVE CONDEMNED PERETZ, HIS UNION MEMBERS OF LARGELY MOROCAN BACKGROUND SUPPORT HIM FULLY FOR WHAT THEY APPARENTLY REGARD AS AN OFFENSE TO THEIR DIGNITY. THEY HAVE HOWEVER, APOLOGIZED TO THE TRANSPORT MINISTER, POSSIBLY REALIZING THAT THE CLOSURE OF THE PORT INDEED TRANSGRESSED THE BOUNDS OF REASONABLE CONDUCT.

3. THE CLOSURE OF ASHDOD PORT FOLLOWED ANOTHER VIOLATION OF LABOR LAW SEVERAL WEEKS AGO-WHEN ONE OF THE THREE CO-SECRETARIES OF THE SEAMENS UNON, WITHOUT OFFICIAL SANCTION, CALLED A STRIKE OF ISRAELI SEAMEN IN PROTEST AGAINST PROPOSED CHANGES IN THE INCOME TAX LAW AND NEARLY SHUT DOWN ISRAEL'S ENTIRE MERCHANT MARINE FOR 24 HOURS. (TEL AVIV 4091).

4. CURRENTLY, THE JOURNALISTS UNION HAS INDICATED ITS INTENT TO STRIKE, IN PROTEST AGAINST THE NEWLY ENACTED INCOME TAX LAW, BASED ON THE BEN SHAHAR REPORT. THE NEW LAW, INTER ALIA, MAKES COMPENSATION FOR CAR AND TELEPHONE ALLOWANCES, EVEN THOUGH JOB-RELATED, TAXABLE AS INCOME. THE JOURNALISTS ARE ONE OF MANY GROUPS THAT FEEL THAT THEIR INTERESTS HAVE BEEN UNFAIRLY AND ADVERSELY AFFECTED BY THE NEW LAW. PERHAPS EXPECTING MORE RESPONSIBLE CONDUCT FROM JOURNALISTS THAN SEAMEN, OBSERVERS HAVE STRESSED THAT THEIR THREATENED STRIKE IS A PROTEST AGAINST A DULY ENACTED LAW OF A DEMOCRATICALLY ELECTED KNESSET, RATHER THAN THE OUTCOME OF A VALID WAGE DISPUT WITH EMPLOYERS, AND THAT ITS IMPLICATIONS ARE THEREFORE MORE SERIOUS FOR THE WORKINGS OF A PARLIAMENTARY DEMOCRACY.

5. ON JULY 17 THE ENTIRE OPERATION OF ISRAEL'S LARGEST BANK--BANK LEUMI--WAS CLOSED BY A ONE DAY STRIKE FOR REASONS NOT MADE PUBLIC BY THE UNION (STRIKE WAS BASICALLY OVER DEMANDS FOR CERTAIN ADDITIONAL ALLOWANCES TO BRING LIMITED OFFICIAL USE

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SALARIES UP TO PAR WITH EMPLOYEES OF ANOTHER BANK REPORTEDLY ENJOYING HIGHER WAGES.)

6. RECENT THREATS BY CERTAIN CATEGORIES OF GOVERNMENT WORKERS TO STRIKE UNLESS THEY ARE GIVEN THE SAME " SPECIAL ALLOWANCES" RECEIVED BY OTHER GOVERNMENT WORKERS HAS BEEN TEMPORARILY CALLED OFF; BUT THE ISSUE HAS ONLY BEEN DEFERRED, NOT SOLVED.

7. THE ILLEGAL 19 DAY STRIKE AT ASHKELON OIL PORT IN MAY, IN WHICH POLICE WERE ATTACKED AND OTHER LAWS BROKEN BY THE STRIKERS, IS NOW BEFORE THE COURTS. AGAIN FEW OBSERVERS BELIEVE THAT ANYONE WILL BE PUNISHED. IN FACT, WORKERS ORIGINALLY DECLARED REDUNDANT MAY BE RETAINED.

8. ISRAEL HAS ALWAYS BEEN CONFRONTED BY STRIKES, PARTICULARLY IN THE PUBLIC SECTOR BY WORKERS IN KEY AREAS ACTING IN DEFIANCE OF HISTADRUT AUTHORITY OR LEGAL PROCEDURES. BUT TODAY, ISRAEL IS STRUGGLEING WITH ITS MOST DIFFICULT INFLATION AND BALANCE OF APYMENTS' IN RECENT YEARS. IT IS MORE THAN EVER CONCERNED WITH PROBLEMS OF SECURITY. ITS TOP LEADERSHIP IS ABSORBED IN COMPLEX, TIME CONSUMING DIPLOMATIC NEGOTIATIONS, WITH PRECIOUS LITTLE TIME LEFT TO FOCUS ON LABOR STRIKES AND THEIR ROOT CAUSES.

9. MANY ISRAELIS HAVE NOTED THAT ISRAEL'S SURVIVAL ULTIMATELY WILL DEPEND ON ITS INNER STRENGTH, AS WELL AS ITS MILITARY MIGHT. SOME ISRAELIS HAVE REGARDED THE RECENT RASH OF ILLEGAL STRIKES AS REFLECTIONS OF GROWING DISREGARD FOR LAW (SEEN ALSO IN THE RECENT CONVICTION OF SENIOR BUSINESS OFFICERS FOR FRAUDULENT CONDUCT). THE STRIKES ALSO REFLECT THE GROWING ASSERTION OF GROUP INTERESTS AT THE EXPENSES OF NATIONAL GOALS, AGGRAVATED BY THE RIFT BETWEEN ISRELI JEWS OF ORIENTAL BACKGROUND AND THE "ESTABLISHMENT", DOMINATED BY JEWS OF WESTERN ORIGINS.

10. ISRAELIS TAKE SOME SATISFACTION IN THE FACT THAT LABOR SITUATION IN ITALY OR ENGLAND MAY BE EVEN WORSE, OR THAT ISRAEL'S DEMOCRATIC WAY OF LIFE HAS PROVED MORE DURABLE THAN THAT OF INDIA AND OTHER AFRO/ASIAN COUNTRIES. BUT THERE IS THE GROWING FEELING THATISRAELIS' ABILITY LIMITED OFFICIAL USE

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TO REMAIN UNTIED AND TO RESIST EFFECTIVELY THE HOSTILITY OF ITS NEIGHBORS AND THE WORLD AT LARGE IS INCREASINGLY THREATEDED BY DEVELOPMENTS AT HOME.

11. COMMENT: WE DO NOT RPT NOT BELIEVE ISRAEL IS FALL-ING APART AT THE SEAMS, ALTHOUGH SOME JOURNALISTS AND MORE PESSIMISTIC ISRAELIS MAY DWELL ON THIS THEME. BUT THE RABIN GOVERNMENT IS INDEED FACED WITH A DIFFICULT INTERANL SITUATION. CURRENT TENSIONS IN PART ARE REACTIONS TO THE INCOME TAX REFORM, AND IN THIS AREA TROUBLES MAY LOOM EVER LARGER IN MONTHS AHEAD, UNLESS EMPLOYERS--OR GOI--END UP COMPENSATING ALL WORKERS FOR ANY LOSS OF INCOME CAUSED BY THE NEW LAW. IT PART, TROUBLE LIES WITH MILITANT LOCAL TRADE UNIONS WHICH HAVE A HIGH PROPENSITY TO RESORT TO ILLEGAL ACTS IN DEFENSE OF

JOBS OR RECTIFICATION OF THEIR SENSE OF INEQUITIES.
THIS SITUATION IS AGGRAVATED BY GOI EFFORTS TO REDUCE
AHARPLY GROWTH IN CONSUMPTION, WITHBURDEN TENDING TO FALL MOST
HEAVILY ON LOW-INCOME (READ ORIENTAL) COMMUNITY.
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